

COVID-19 Impacts on Housing Needs Assessment Toolkit Recommendations

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As requested, we discussed internally the impacts of COVID-19 on our analysis and recommendations. While it is difficult to predict the near- and long-term impacts to real estate markets with certainty, investor and developer sentiment surveys suggest that there will be a moderate near-term impact to housing markets. Nationally, the for-sale market, including attached and single-family units, has experienced a temporary slowdown in transactions as consumer confidence is low, and rental product, while performing better than expected, is likely to be impacted by the current unemployment crisis. Long-term, it is likely that the Naperville housing market will rebound due to the desirability of the community, but housing needs may continue to evolve, including an increased preference for housing with at-home offices and a greater need for rental product for those impacted by job losses and furloughs.

Most importantly, COVID-19 is heavily impacting housing insecure populations, which are expected to increase due to job losses. We are anticipating a greater need for affordable and workforce housing, both nationally and in Naperville, during recovery. We recommend that the City consider accelerating its efforts to implement toolkit policies, programs and strategies focused on affordable and workforce housing (e.g., leveraging TIF and public lands to facilitate development of new units, implementing an inclusionary housing policy, establishing a community land trust, and supporting employer assisted housing programs). Given the uncertainty in the market, we again recommend that you carefully calibrate the inclusionary housing policy, if the City chooses to implement one, to ensure that the policy does not stall market-rate development.

Furthermore, given that COVID outbreaks are occurring in several residential care facilities, it is possible that residents will forego entering these facilities until absolutely necessary. Therefore, the City may also want to accelerate its efforts to ensure alternative housing options for seniors and those with special needs (e.g., accessible housing, accessory dwelling units, smaller units).

Each of the policies, programs and strategies outlined in the toolkit could be expedited as implementation is largely dependent on the time and resources that the City and HAC can focus on designing and launching the initiatives. Furthermore, it is unclear what resources will be available at the federal and state level during recovery. We recommend that the City focus on strategies that leverage local resources and continue to monitor new initiatives at the federal and state level that may be announced as part of recovery and stimulus programs.

Please let us know if you have any further questions.

Thanks –
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